

# State Of New Hampshire

## Monthly Revenue Focus

### Department of Administrative Services

Linda M. Hodgdon, Commissioner  
Edgar R. Carter, Comptroller



#### Monthly Revenue Summary

#### Analysis

(for month)

	<u>FY 11</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
<b>Gen &amp; Educ</b>	\$ 248.2	\$ 277.7	\$ (29.5)
<b>Highway</b>	\$ 23.2	\$ 23.0	\$ 0.2
<b>Fish &amp; Game</b>	\$ 0.5	\$ 0.8	\$ (0.3)

The **General and Education Funds** receipts for April totaled \$248.2 million, which was below plan by \$29.5 million (10.6%) but ahead of prior year by \$7.4 million (3.1%). On a year to date basis, receipts totaled \$1,890.9 million, which were below plan by \$46.7 million (2.4%) and ahead of prior year by \$14.9 million (0.8%). Overall, receipts exceeded the prior year. Current month and year to date shortfalls from plan are significantly impacted by the **Business Tax** and **Interest and Dividends** tax categories.

**Business tax** collections this year were \$74.7 million which were \$14.4 million (16.2%) below plan, bringing year to date results to \$392.7 million or \$17.7 million (4.3%) lower than year to date plan. Most of the shortfall year to date, results from the April shortfall. As compared to prior year, April collections are higher by \$10.7 million (16.7%) and year to date collections are higher by \$17.6 million (4.7%). The plan set for April this year was \$89.1 million as compared to the prior year month of \$64.0 million. While the higher plan for April was not realized, the prior year result was still exceeded. Further, remaining plan for the year is \$92.6 million which is lower than collections for this remaining period last year of \$97.0 million. If the trend of exceeding prior year is continued through the rest of the year, the full year shortfall to plan will be reduced.

**Interest and Dividends tax**, which is impacted significantly by bank interest rates, has performed behind plan all year. Returns for this tax are due in April making this the highest collection month for this category. Collections for the month were \$9.0 million (23.5%) less than plan, bringing year to date collections \$12.9 (16.4%) million less than plan. As compared to the prior year, while April was only \$0.6 million (2%) less, collections year to date are less by \$6.5 million (9%).

**Tobacco Tax** collections for the month were ahead of plan by \$0.3 million (1.9%) but below prior year by \$2.5 million (13.3%). Year to date collections are tracking \$9.3 million (5.1%) ahead of plan and \$7.8 million (3.9%) behind prior year. According to the Department of Revenue Administration, stamp sales for the month of April were 14% lower than the prior year. Although sales are declining from the prior year, the rate of decline is not as great as the plan had forecasted.

For the month of April, **Other Revenue** was lower than plan by \$1.9 million (22.6%). On a year to date basis, however, other receipts are still running ahead of plan by \$1.2 million (2.5%), and prior year by \$6.2 million (14.3%). Shortfall to plan for the current month reflects the timing of agencies making payments of indirect cost recoveries earlier in the year.

The **Real Estate Transfer Tax (RET)** collections totaled \$5.6 million for the month, which was behind plan by \$1.0 million (15.2%). Year to date revenue from RET totaled \$67.2 million, below plan by \$6.4 million (8.7%) and below prior year by \$3.0 million (4.3%). Prior year receipts benefited from the Federal First-Time Homebuyers Tax Credit.

While volume and inflation adjustments actually improved the **Tobacco Settlement** payment this year, this was offset by the Non-Participating Manufacturer (NPM) adjustment. Many Participating Manufacturers (PM) who are obligated to make the annual payments reduced their 2011 payment due to a dispute over the NPM adjustment, and paid an NPM adjustment to the disputed payment account. This resulted in a lower annual payment to the states. NPM adjustments are meant, in part, to level the playing field so that NPMs do not benefit from the cost advantage over the PMs who bear the burden of settlement costs. The PMs are contesting the states' compliance with this aspect of the settlement agreement.

#### Current Month Analysis

<b>General &amp; Education Funds</b>	<i>FY 11 Actuals</i>	<i>FY 11 Plan</i>	<i>Actual vs. Plan</i>	<i>% Inc/(Dec)</i>
Business Profits Tax	\$ 45.3	\$ 55.6	\$ (10.3)	-18.5%
Business Enterprise Tax	29.4	33.5	(4.1)	-12.2%
Subtotal Business Taxes	74.7	89.1	(14.4)	-16.2%
Meals & Rentals Tax	17.5	18.4	(0.9)	-4.9%
Tobacco Tax	16.3	16.0	0.3	1.9%
Transfer from Liquor Commission	8.5	8.7	(0.2)	-2.3%
Interest & Dividends Tax	29.3	38.3	(9.0)	-23.5%
Insurance Tax	2.0	1.5	0.5	33.3%
Communications Tax	6.3	6.7	(0.4)	-6.0%
Real Estate Transfer Tax	5.6	6.6	(1.0)	-15.2%
Court Fines & Fees	1.1	1.1	-	0.0%
Securities Revenue	18.6	16.6	2.0	12.0%
Utility Consumption Tax	0.5	0.5	-	0.0%
Board & Care Revenue	1.7	1.9	(0.2)	-10.5%
Beer Tax	1.0	0.9	0.1	11.1%
Racing & Games of Chance	0.2	0.3	(0.1)	-33.3%
Other	6.5	8.4	(1.9)	-22.6%
Gambling Winnings Tax	1.0	1.3	(0.3)	-23.1%
Transfer from Lottery Commission	5.7	6.5	(0.8)	-12.3%
Transfer from Racing & Charitable				
Gaming	0.1	0.1	-	0.0%
Tobacco Settlement	41.7	44.2	(2.5)	-5.7%
Utility Property Tax	7.3	6.8	0.5	7.4%
State Property Tax	-	-	-	
Subtotal Traditional Taxes & Transfers	245.6	273.9	(28.3)	-10.3%
Net Medicaid Enhancement Revenue	0.4	0.1	0.3	300.0%
Recoveries	2.2	3.7	(1.5)	-40.5%
Total Receipts	\$ 248.2	\$ 277.7	\$ (29.5)	-10.6%

All funds reported on a cash basis, dollars in millions.

## RET Analysis

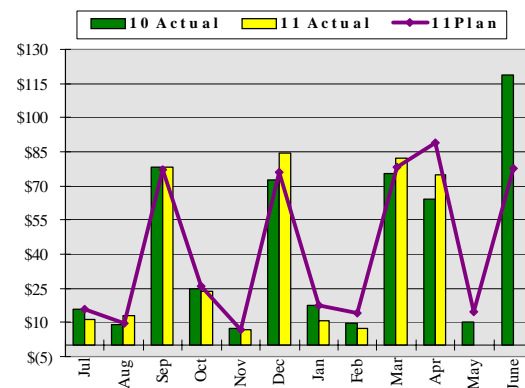
(In Millions)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
FY11	9.6	6.9	6.6	6.7	6.6	7.3	7.7	5.1	5.1	5.6
FY10	9.0	8.3	7.6	8.1	7.1	7.3	7.4	4.6	4.4	6.4
FY09	11.5	9.9	9.4	8.1	8.8	6.6	6.5	4.1	3.7	5.4
Mo over Mo	0.6	(1.4)	(1.0)	(1.4)	(0.5)	-	0.3	0.5	0.7	(0.8)
% Mo over Mo	7%	-17%	-13%	-17%	-7%	0%	4%	11%	16%	-13%
YTD change over Prior Year	0.6	(0.8)	(1.8)	(3.2)	(3.7)	(3.7)	(3.4)	(2.9)	(2.2)	(3.0)
% YTD change	7%	-5%	-7%	-10%	-9%	-8%	-6%	-5%	-3%	-4%

## Business Tax Refund Analysis

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
FY11	3.4	0.9	3.5	5.2	6.1	2.5	15.0	3.5	3.3	2.1
FY10	1.6	1.2	2.1	3.6	6.3	5.2	7.2	6.4	3.7	6.6
FY09	1.3	1.4	1.5	5.3	11.3	3.6	4.7	6.2	3.3	3.2
Mo over Mo change	1.8	(0.3)	1.4	1.6	(0.2)	(2.7)	7.8	(2.9)	(0.4)	(4.5)
YTD change	1.8	1.5	2.9	4.5	4.3	1.6	9.4	6.5	6.1	1.6

## Business Taxes



## General &amp; Education Funds Comparison to FY 10

## Monthly

General & Education Funds	FY 11	FY 10	
	Actuals	Actuals	Inc/(Dec)
Business Profits Tax	\$ 45.3	\$ 39.5	\$ 5.8
Business Enterprise Tax	29.4	24.5	4.9
Subtotal Business Taxes	74.7	64.0	10.7
Meals & Rentals Tax	17.5	16.9	0.6
Tobacco Tax	16.3	18.8	(2.5)
Transfer from Liquor Commission	8.5	8.7	(0.2)
Interest & Dividends Tax	29.3	29.9	(0.6)
Insurance Tax	2.0	1.8	0.2
Communications Tax	6.3	6.2	0.1
Real Estate Transfer Tax	5.6	6.4	(0.8)
Court Fines & Fees	1.1	1.1	0.0
Securities Revenue	18.6	17.3	1.3
Utility Consumption Tax	0.5	0.5	-
Board & Care Revenue	1.7	2.0	(0.3)
Beer Tax	1.0	1.0	-
Racing & Games of Chance	0.2	0.3	(0.1)
Other	6.5	4.9	1.6
Gambling Winnings Tax	1.0	0.8	0.2
Transfer from Lottery Commission	5.7	5.3	0.4
Transfer from Racing & Charitable Gaming	0.1	0.2	(0.1)
Tobacco Settlement	41.7	44.2	(2.5)
Utility Property Tax	7.3	6.3	1.0
State Property Tax	-	-	-
Subtotal Traditional Taxes & Transfers	245.6	236.6	9.0
Net Medicaid Enhancement Rev	0.4	0.1	0.3
Recoveries	2.2	4.1	(1.9)
Total Receipts	\$ 248.2	\$ 240.8	\$ 7.4

## Year-to-Date

FY 11	FY 10		%
Actuals	Actuals	Inc/(Dec)	Inc/(Dec)
\$ 239.2	\$ 232.6	\$ 6.6	2.8%
153.5	142.5	11.0	7.7%
392.7	375.1	17.6	4.7%
199.4	194.2	5.2	2.7%
192.3	200.1	(7.8)	-3.9%
102.2	98.2	4.0	4.1%
65.9	72.4	(6.5)	-9.0%
82.3	84.8	(2.5)	-2.9%
66.9	64.3	2.6	4.0%
67.2	70.2	(3.0)	-4.3%
11.3	11.1	0.2	1.8%
34.0	30.8	3.2	10.4%
5.1	5.0	0.1	2.0%
16.7	17.0	(0.3)	-1.8%
10.8	10.7	0.1	0.9%
1.9	2.2	(0.3)	-13.6%
49.7	43.5	6.2	14.3%
3.1	2.6	0.5	19.2%
48.1	48.2	(0.1)	-0.2%
0.9	1.0	(0.1)	-10.0%
41.7	44.2	(2.5)	-5.7%
24.7	22.8	1.9	8.3%
363.6	363.2	0.4	0.1%
1,780.5	1,761.6	18.9	1.1%
93.3	98.0	(4.7)	-4.8%
17.1	16.4	0.7	4.3%
\$ 1,890.9	\$ 1,876.0	\$ 14.9	0.8%

All funds reported on a cash basis, dollars in millions.

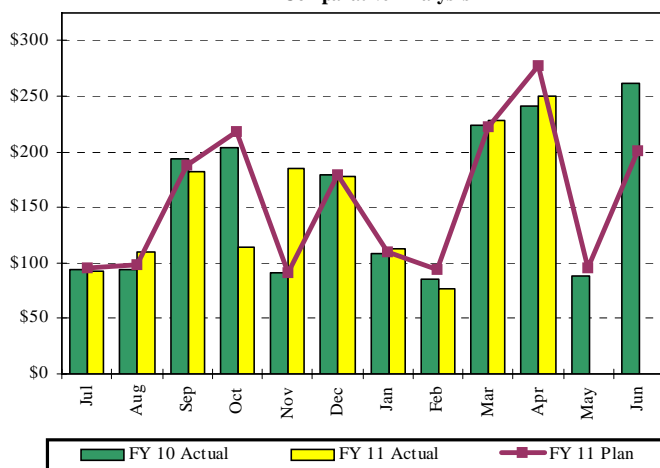
## General and Education Funds

## Year-to-Date Comparison to Plan

General & Education Funds	General			Education			Total			% Inc/(Dec)
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	
Business Profits Tax	\$ 197.5	\$ 210.2	\$ (12.7)	\$ 41.7	\$ 45.5	\$ (3.8)	\$ 239.2	\$ 255.7	\$ (16.5)	-6.5%
Business Enterprise Tax	53.7	51.6	2.1	99.8	103.1	(3.3)	153.5	154.7	(1.2)	-0.8%
Subtotal Business Taxes	251.2	261.8	(10.6)	141.5	148.6	(7.1)	392.7	410.4	(17.7)	-4.3%
Meals & Rentals Tax	195.1	199.4	(4.3)	4.3	6.7	(2.4)	199.4	206.1	(6.7)	-3.3%
Tobacco Tax	107.5	103.0	4.5	84.8	80.0	4.8	192.3	183.0	9.3	5.1%
Transfer from Liquor Commission	102.2	105.0	(2.8)	-	-	-	102.2	105.0	(2.8)	-2.7%
Interest & Dividends Tax	65.9	78.8	(12.9)	-	-	-	65.9	78.8	(12.9)	-16.4%
Insurance Tax	82.3	80.8	1.5	-	-	-	82.3	80.8	1.5	1.9%
Communications Tax	66.9	62.9	4.0	-	-	-	66.9	62.9	4.0	6.4%
Real Estate Transfer Tax	43.8	49.0	(5.2)	23.4	24.6	(1.2)	67.2	73.6	(6.4)	-8.7%
Court Fines & Fees	11.3	10.9	0.4	-	-	-	11.3	10.9	0.4	3.7%
Securities Revenue	34.0	31.3	2.7	-	-	-	34.0	31.3	2.7	8.6%
Utility Consumption Tax	5.1	5.0	0.1	-	-	-	5.1	5.0	0.1	2.0%
Board & Care Revenue	16.7	15.5	1.2	-	-	-	16.7	15.5	1.2	7.7%
Beer Tax	10.8	10.6	0.2	-	-	-	10.8	10.6	0.2	1.9%
Racing & Games of Chance	1.9	2.4	(0.5)	-	-	-	1.9	2.4	(0.5)	-20.8%
Other	49.7	48.5	1.2	-	-	-	49.7	48.5	1.2	2.5%
Gambling Winnings Tax	3.1	2.2	0.9	-	-	-	3.1	2.2	0.9	40.9%
Transfer from Lottery Commission	-	-	-	48.1	57.7	(9.6)	48.1	57.7	(9.6)	-16.6%
Transfer from Racing & Charitable Gaming	-	-	-	0.9	0.9	-	0.9	0.9	-	0.0%
Tobacco Settlement	1.7	4.2	(2.5)	40.0	40.0	-	41.7	44.2	(2.5)	-5.7%
Utility Property Tax	-	-	-	24.7	20.8	3.9	24.7	20.8	3.9	18.8%
State Property Tax	-	-	-	363.6	363.6	-	363.6	363.6	-	0.0%
Subtotal Traditional Taxes & Transfers	1,049.2	1,071.3	(22.1)	731.3	742.9	(11.6)	1,780.5	1,814.2	(33.7)	-1.9%
Net Medicaid Enhancement Rev	93.3	108.3	(15.0)	-	-	-	93.3	108.3	(15.0)	-13.9%
Recoveries	17.1	15.1	2.0	-	-	-	17.1	15.1	2.0	13.2%
Total Receipts	\$ 1,159.6	\$ 1,194.7	\$ (35.1)	\$ 731.3	\$ 742.9	\$ (11.6)	\$ 1,890.9	\$ 1,937.6	\$ (46.7)	-2.4%

\* Not reflected in General Fund YTD actuals is \$1.0 million in April from the CCSNH per Chapter 143:17 L'09. This amount has not been included in general fund receipts because it was not in the plan and therefore would make actuals not comparable to plan or prior year.

General & Education Funds, excluding State Property Tax  
FY 11 Comparative Analysis



Education Trust Fund  
Statement of Activity - FY 2011  
July 1, 2010 to April 30, 2011

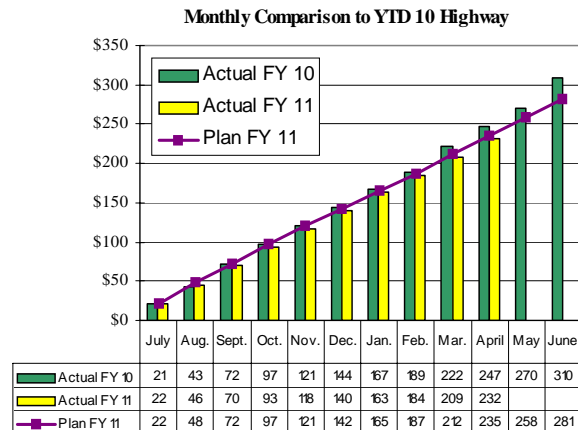
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	731.3
Expenditures Education Grants & Adm Costs	(952.4)
Ending Surplus (Deficit) - unaudited	\$ (221.1)

Fiscal 2011 Adequate Education Grant payments of \$594.0 million are due 20% September 1, 20% November 1, 30% January 1 and 30% April 1. Municipalities receive an additional \$363.0 million of grants through local retention of Statewide Property Tax collections.

All funds reported on a cash basis, dollars in millions.

## Highway Fund

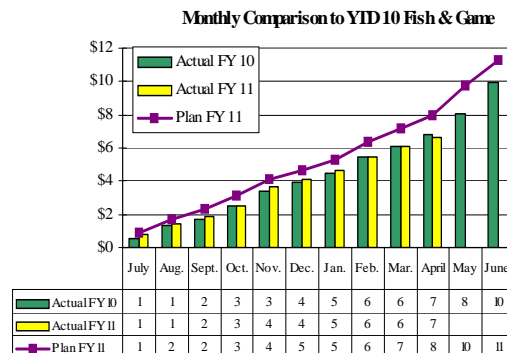
Comparison to Plan			
Revenue Category	year-to-date		
	FY 11 Actuals	FY 11 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 105.6	\$ 106.1	\$ (0.5)
Miscellaneous	18.0	17.1	0.9
<b>Motor Vehicle Fees</b>			
MV Registrations	84.5	85.3	(0.8)
MV Operators	4.4	4.9	(0.5)
Inspection Station Fees	3.1	3.2	(0.1)
MV Miscellaneous Fees	10.0	11.2	(1.2)
Certificate of Title	6.1	6.7	(0.6)
<b>Total Fees</b>	<b>108.1</b>	<b>111.3</b>	<b>(3.2)</b>
<b>Total</b>	<b>\$ 231.7</b>	<b>\$ 234.5</b>	<b>\$ (2.8)</b>



- According to **Road Toll Operations**, actual fuel consumption is up approximately 1.7% over the same period last year, but it is tracking slightly below the estimate. We will continue to watch this closely with the steep gas prices.
- \$20.0 million, of the State Fiscal Year 2011 budgeted revenue related to the **I-95 segment transfer agreement** per CH 144:76 L'09, was not part of the revenue plan and therefore has not been reported above in the miscellaneous revenue category.

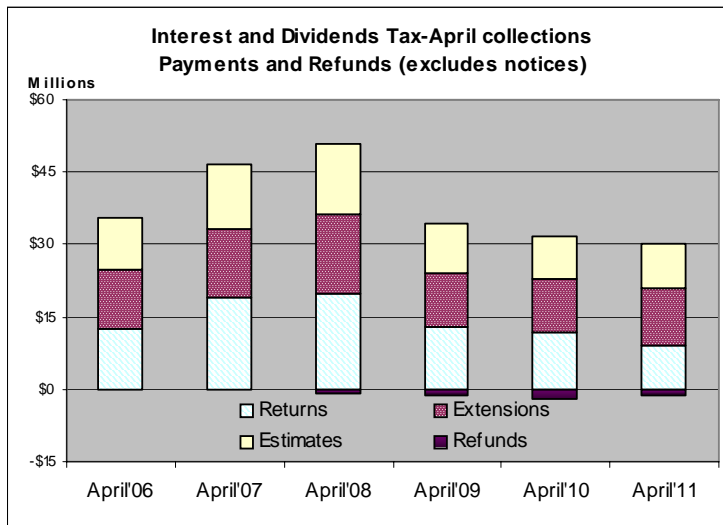
## Fish & Game Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 11 Actuals	FY 11 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 5.0	\$ 6.4	\$ (1.4)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.8	0.9	(0.1)
Federal Recoveries Indirect Costs	0.7	0.6	0.1
<b>Total</b>	<b>\$ 6.6</b>	<b>\$ 8.0</b>	<b>\$ (1.4)</b>



The **State Fish & Game** department reports lower sales of licenses and other revenue generating activity.

*All funds reported on a cash basis, dollars in millions.*



Payments of estimated taxes for the next year are running significantly higher than estimated payments at this time last year according to DRA data. Year to date, \$6.1 million more has been paid on the current tax year than was paid this time last year. This would reflect an expectation by taxpayers that this year's earnings are improving.

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